FACT SHEET: The USMCA Rapid Response Mechanism Delivers for Workers

The Biden-Harris Administration is enforcing labor standards through this revolutionary trade tool and securing tangible results for workers, including reinstatements, legitimate union representation, backpay, and higher wages.

As part of the Biden-Harris Administration's worker-centered trade policy, U.S. Trade Representative Katherine Tai has been on a mission to leverage the power of trade to lift workers up at home and around the world. Critical to this work is the groundbreaking U.S.-Mexico-Canada Agreement (USMCA) Rapid Response Mechanism (RRM) – an innovative trade agreement tool that is empowering workers in Mexico and the United States.

What is it and how does it work?

The RRM was key to the overwhelming bipartisan support for the passage of the USMCA in the U.S. Congress.

The RRM provides any interested party with the opportunity to petition the U.S. government to start a case on the basis of sufficient, credible evidence that workers' rights are being denied at a specific facility in Mexico. Those rights include the right to freedom of association and collective bargaining, which are guaranteed under both Mexican law and the terms of the USMCA.

Once a petition is accepted, the United States works with Mexico to determine whether a Denial of Rights has occurred, a course of remediation, and other penalties as appropriate. If, through the process, a facility is found to have illegally engaged in denying workers' rights and fails to remedy the harm, penalties can include a ban of its exports to the United States.

How has it empowered workers?

Since 2021, the United States has sought Mexico's review under the USMCA's RRM **thirty-one times** at facilities that span various industries, including automotive, garments, mining, food manufacturing, and services.

These cases have directly benefited **nearly 42,000** workers:

- provided nearly six million dollars in backpay and benefits to workers,
- ensured wrongly terminated workers were reinstated, and
- helped secure free and fair elections in which workers selected independent unions to represent them.

Though some cases are still ongoing, **twenty-two** have already resulted in either comprehensive remediation plans between the United States and Mexico or were successfully resolved during the RRM review process. **Fifteen** cases included backpay to workers, **twelve** included reinstatements of workers, **eleven** resulted in independent unions representing workers at the facility, and many resulted in successful negotiations for higher wages, workers' rights trainings, and improved policies at the facilities.

The tool has been so effective in delivering real results to workers that the United States has seen a significant increase in petitions. The United States will continue to utilize the tool wherever necessary to address violations of workers' rights.

Why does this matter for U.S. workers?

When Mexico's workers are exploited, U.S. workers suffer too. Companies with the option to set up shop in both countries can play U.S. and Mexican workers off each other. If Mexico's workers cannot be effectively represented by independent organizations and cannot advocate for themselves for better pay, benefits, and working conditions, U.S. workers will find themselves at an unfair disadvantage when negotiating terms for their employment. This results in a "race to the bottom," where firms suppress labor costs by violating workers' rights, producing cheap goods at the expense of the workers everywhere.

Instead, the RRM is helping to produce a "race to the top," preventing companies that violate workers' rights from benefiting from the USMCA and helping ensure that companies cannot secure unfair advantages by exploiting workers. Tools like the RRM are an important part of the Biden-Harris Administration's efforts to put workers at the center of our trade policy and recraft global trade on fair terms that respect workers.

A brief summary of each facility-specific case and its outcomes can be found below, and further information on each case is available on our <u>website</u>.

GENERAL MOTORS FACILITY IN SILAO, GUANAJUATO – May 12, 2021

RESULT OF RRM: HIGHER WAGES, LEGITIMATE UNION REPRESENTATION

The United States <u>requested</u> Mexico's review of whether workers at this auto components facility were being denied the right to freedom of association and collective bargaining, specifically through the destruction of ballots in a vote on a proposed collective bargaining agreement between the facility and the union.

As a result of the RRM, workers at the facility were given a <u>new vote</u> to determine if they agreed with the previously proposed agreement between the existing employer-aligned union and the facility – which they rejected. They were then able to vote for a new union to represent them. The workers elected a new, independent union, which negotiated and secured higher wages in a new agreement that the workers <u>voted to approve</u>.

TRIDONEX FACILITY IN MATAMOROS, TAMAULIPAS – June 9, 2021

RESULT OF RRM: SEVERANCE, BACKPAY, INCREASED SAFETY PROTOCOLS, WORKERS' RIGHTS TRAINING, IMPROVED FACILITY POLICIES

The United States <u>requested</u> Mexico's review of whether workers at this auto parts facility were being denied the right to freedom of association and collective bargaining, specifically whether workers who were seeking to switch association between unions and were union-eligible were being separated from the company voluntarily or involuntarily.

To remediate the situation, the facility paid severance and 6 months of backpay, totaling a *minimum* of 9 months of pay per worker (a total backpay sum of more than \$600,000) for at least 154 dismissed workers. In addition, the facility agreed to support the right of their workers to determine union representation without coercion, to strengthen safety protocols around COVID-19, and to provide financial support to employees unable to report to work as a result of

COVID-19 exposure or infection. Mexico also facilitated workers' rights training for employees at the facility.

PANASONIC AUTOMOTIVE SYSTEMS DE MÉXICO FACILITY IN REYNOSA, TAMAULIPAS – May 18, 2022

RESULT OF RRM: BACKPAY, REIMBURSEMENT, HIGHER WAGES, REINSTATEMENT OF WORKERS, LEGITIMATE UNION REPRESENTATION

The United States <u>requested</u> Mexico's review of whether workers at this auto components facility were being denied their right to freedom of association and collective bargaining by being coerced or forced to be represented by a union they did not select and whether they were being subject to a collective bargaining agreement between that union and the facility that the workers did not approve.

As a <u>result</u> of the RRM, the facility renounced the illegitimate agreement, offered reinstatement and backpay to twenty-six workers who had been wrongly dismissed, and reimbursed other workers for unpaid wages that resulted from a work stoppage at the facility. The facility also reimbursed workers for dues automatically deducted on behalf of the illegitimate union. Workers were able to vote for representation, resulting in a landslide victory for a new and independent union. The independent union then negotiated a 9.5 percent direct salary increase and a one-time bonus of 3.5 percent of each worker's annual salary, which workers voted to approve.

TEKSID HIERRO DE MÉXICO FACILITY IN FRONTERA, COAHUILA - June 6, 2022

RESULT OF RRM: BACKPAY, REINSTATEMENT OF WORKERS, IMPROVED FACILITY POLICIES, LEGITIMATE UNION REPRESENTATION, HIGHER WAGES

The United States <u>requested</u> Mexico's review of whether workers at this auto components facility were being threatened or coerced into choosing a particular union, and whether workers were being subject to a state-level collective bargaining agreement that was inferior to a federal-level collective bargaining agreement. The company was also refusing to recognize the independent union that held the right to represent workers at the facility.

As a <u>result</u> of the RRM, 36 workers that had been terminated for protesting the company were reinstated and given backpay, and the independent union was given access to the facility and paid dues that were previously withheld from workers' pay. The facility also issued a statement of neutrality on workers' selection of a union and union activities, as well as a statement to workers that the only valid collective bargaining agreement was the one at the federal-level. Shortly after the case was closed, the independent union withstood a challenge from a competing union and negotiated additional benefits for workers including a 9 percent wage increase for workers and an increase in the overall value of workers' non-wage benefits of 6.8 percent, as well as an increase in vacation days, bonuses, compliance with required overtime pay, and improvements to working conditions to address work-related injuries.

MANUFACTURAS VU FACILITY IN PIEDRAS NEGRAS, COAHUILA (VU I) – July 21, 2022

RESULT OF RRM: LEGITIMATE UNION REPRESENTATION

The United States <u>requested</u> Mexico's review of whether workers at this auto components facility were being denied the ability to freely choose their union representation.

As a <u>result</u> of the RRM, workers were able to organize freely and ultimately elected a union for the first time to represent workers at the facility. Mexico trained workers on the voting process and its implications, facilitated a statement from the facility to remain neutral in the vote, and oversaw the vote to ensure a free and fair voting process.

<u>MANUFACTURAS VU FACILITY IN PIEDRAS NEGRAS, COAHUILA (VU II)</u> – January 30, 2023

RESULT OF RRM: LEGITIMATE UNION REPRESENTATION, SANCTIONS

The United States <u>requested</u> Mexico's review for the second time at this auto components facility over concerns that the facility was showing favoritism for a union competing to oust the recently elected independent union, including by providing preferential access to that union and reprimanding workers who were supporting the incumbent union.

As a <u>result</u> of the RRM*, Mexico initiated sanctions proceedings against those who violated Mexican labor law in this case, and committed to ensuring that complaints about anti-union threats and violence would be investigated and addressed. Mexico also committed to ensuring that the company would issue a statement of neutrality on union activities and abide by that statement. Although the facility closed before the situation had been fully resolved, the United States has continued to monitor the situation and has supported former VU workers.

*The U.S. statement on recent developments in this RRM matter can be found here.

<u>UNIQUE FABRICATING FACILITY IN SANTIAGO DE QUERÉTARO, QUERÉTARO</u> – March 6, 2023

RESULT OF RRM: LEGITIMATE UNION REPRESENTATION, IMPROVED FACILITY POLICIES

The United States <u>requested</u> Mexico's review of whether workers at this auto parts facility were experiencing interference with their right to organize, select, and engage with a union of their choice.

As a <u>result</u> of the RRM, Mexico took action to ensure workers' rights were protected at the facility. This included trainings of management and workers, and the issuance of a statement by the company that affirmed they would remain neutral in the workers' selection of a union and a zero-tolerance policy toward union favoritism and discrimination. The company also provided new and existing unions with equal access to the facility, committed to take steps to prevent potential freedom of association violations, and provided the new union with dues from its affiliates. Mexico also monitored the following union election in which workers were able to elect a new union to represent them.

GOODYEAR SLP FACILITY IN SAN LUIS POTOSÍ, SAN LUIS POTOSÍ – May 22, 2023

RESULT OF RRM: BACKPAY, HIGHER WAGES, WORKERS' RIGHTS TRAININGS, IMPROVED FACILITY POLICIES, LEGITIMATE UNION REPRESENTATION

The United States <u>requested</u> Mexico's review of whether this facility, specializing in manufacturing tires from rubber, was denying workers the beneficial terms of a sector-wide agreement, and instead subjecting them to an inferior facility-specific collective bargaining agreement negotiated between the company and an incumbent, employer-aligned union.

As a <u>result</u> of the RRM, the Mexico oversaw a free and fair vote at the facility that resulted in an independent union representing workers for purposes of bargaining and facilitation of the *contrato ley*. In addition to other changes, Goodyear paid 1,186 workers approximately \$4.2 million U.S. dollars in back wages and benefits owed under the *contrato ley*. *Goodyear* is now applying the *contrato ley* at the facility, while retaining any prior wages or benefits that exceeded the terms of the *contrato ley*. Goodyear also adopted and posted a neutrality statement and company guidelines on freedom of association and collective bargaining, including a zero-tolerance policy for violations, and trained all company personnel on the guidelines and neutrality commitments.

Mexico also publicly stated that it intends to review the application of the sector-wide agreement across the rubber industry, assuring that workers receive the benefits owed to them under such agreement while maintaining the benefits in any facility-specific collective bargaining agreement, as applicable, that are superior to what the sector-wide agreement requires.

DRAXTON FACILITY IN IRAPUATO, GUANAJUATO - May 31, 2023

RESULT OF RRM: REINSTATEMENT OF A WORKER, BACKPAY, WORKERS' RIGHTS TRAININGS, IMPROVED FACILITY POLICIES, FREE AND FAIR VOTE

The United States <u>self-initiated a request</u> for Mexico's review of whether workers at this auto components facility were being retaliated against, intimidated, threatened, and fired for partaking in union activities, and whether workers at the facility were also being denied a copy of their collective bargaining agreement.

As a <u>result</u> of the RRM, the company reinstated and paid backpay to a worker fired due to union activity. The company also committed to remain neutral and refrain from interfering in workers' union activities, trained management and all employees on its new company guidelines and neutrality statement, and provided copies of the current collective bargaining agreement to all employees. Mexico monitored the facility to ensure it complied with workers' rights, conducted a workers' rights training for all personnel, and visited the facility prior to a union vote in November 2023, which the independent union won. After the independent union won the vote, Mexico facilitated a series of dialogue meetings between the company and union to discuss the union's access to the facility and other working conditions.

<u>INDUSTRIAS DEL INTERIOR FACILITY IN RINCÓN DE ROMOS,</u> <u>AGUASCALIENTES</u> – June 12, 2023

RESULT OF RRM: IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this garment facility was aiding workers who supported a company-proposed collective bargaining agreement, hindering the activities of workers who opposed the company proposal, and otherwise interfering in the union's internal affairs.

As a <u>result</u> of the RRM, the company committed to neutrality and non-interference in union activities at the facility. The company issued transparent guidelines to govern the conduct of personnel at the facility and created a complaint system where workers could anonymously report any experience of intimidation, coercion, or threats. The facility also provided workers' rights trainings to all personnel to ensure workers' rights would not be infringed upon in the future.

SAN MARTIN MINE FACILITY IN SOMBRERETE, ZACATECAS - June 16, 2023

RESULT OF RRM: USMCA RRM PANEL DETERMINATION

The United States <u>requested</u> Mexico's review of whether this facility, specializing in mining lead, zinc, and copper, had resumed operations during an ongoing strike and whether the company was circumventing the striking union by engaging in collective bargaining with an unauthorized coalition of workers. Mexico conducted a review and found no ongoing Denials of Rights. The United States disagreed with Mexico's determination that no Denial of Rights existed at the facility, and the United States remained concerned that workers were being denied the right to freedom of association and collective bargaining. Given the U.S. position, the United States <u>requested a dispute settlement panel</u> under the USMCA to verify the facility's compliance with the laws in question and determine whether there was an ongoing Denial of Rights.

The Panel conducted a verification from February 26-27, 2024 and a hearing from February 28-29, 2024. The Parties <u>made the Panel's written determination public</u> on May 13, 2024. The Panel found the mine is a covered facility for the purposes of the RRM. However, the Panel went on to find that the alleged Denials of Rights were not brought under Mexican labor laws necessary to fulfill Mexico's labor-related obligations within the meaning of the USMCA, because, as a matter of Mexican law, the events at issue would likely be subject to labor laws that predate Mexico's labor reform. Therefore, the Panel found that it lacked jurisdiction to determine whether a Denial of Rights occurred at the facility. The Panel acknowledged that the complex factual and legal history underlying this dispute was "highly unusual and unlikely to repeat itself."

GRUPO YAZAKI FACILITY IN LEÓN, GUANAJUATO - August 7, 2023

RESULT OF RRM: IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether a union at this auto components facility spread false or misleading information to workers about the purpose of a scheduled collective bargaining agreement vote and the impact that vote was going to have on workers' salaries and employment benefits.

Mexico <u>intervened</u> at the facility to resolve the matter during its review period, and the company committed to remain neutral in union activities and to safeguard its workers' rights. The company established a hotline that workers can call into to report any concerns relating to their labor rights. In addition, workers at the facility, as well as management and union representatives, participated in workers' rights trainings.

RESULT OF RRM: BACKPAY, REINSTATEMENT OF A WORKER, SEVERANCE, IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether pilots at this airline were being harassed, intimidated, and retaliated against due to their union affiliation, and if the company denied the pilots the opportunity to vote on an accurate and appropriately presented collective bargaining agreement.

As a <u>result</u> of the RRM, the pilots who were unjustly dismissed from the company were offered reinstatement and backpay, or severance if they did not want to return to their former jobs. In addition, the company adopted and posted a statement of neutrality on collective bargaining, and created a hotline where workers can anonymously submit complaints about labor rights violations. Mexico also provided workers' rights trainings to the pilots. The pilots were later able to vote for representation, resulting in the election of an independent union to represent them at the facility.

<u>TEKLAS AUTOMOTIVE FACILITY IN AGUASCALIENTES, AGUASCALIENTES</u> – September 25, 2023

RESULT OF RRM: BACKPAY, REINSTATEMENT OF WORKERS, WORKERS' RIGHTS TRAININGS, IMPROVED FACILITY POLICIES, LEGITIMATE UNION REPRESENTATION, HUMAN RESOURCES RESTRUCTURING

The United States <u>requested</u> Mexico's review of whether this auto components facility was interfering in workers' union activities, including through intervening and preventing workers from engaging with a particular union, dismissing workers who support that union, and otherwise coercing or intimidating workers into engaging with a different union.

As a <u>result</u> of the RRM, the company reinstated and paid backpay to two workers fired due to union activity. The company also restructured its human resources team by hiring a new department head and an on-site counsel specialized in union affairs. Further, the company committed to remain neutral and not interfere in workers' union activities and trained all employees, including management, on its new company guidelines and neutrality statement. Mexico monitored the facility to ensure it complied with workers' rights, conducted a workers' rights training for all personnel, and oversaw a union vote in January 2024. After the independent union won the vote, Mexico mediated a series of dialogue meetings between the company and union to reach an agreement on union access to the facility and plans for collective bargaining agreement negotiations.

ASIAWAY AUTOMOTIVE COMPONENTS MÉXICO FACILITY IN SAN LUIS POTOSÍ, SAN LUIS POTOSÍ – October 23, 2023

RESULT OF RRM: REINSTATEMENT OF A WORKER, BACKPAY, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this auto components facility was interfering in workers' union activities, including through intervening or preventing workers from engaging with a particular union, and the dismissal of a worker that supported that union.

As a <u>result</u> of the RRM, the company reinstated with backpay the unjustly dismissed worker. The company also adopted and posted a neutrality statement and company guidelines, disseminated the neutrality statement, and trained workers and management on workers' rights

to freedom of association and collective bargaining. Mexico also provided trainings on workers' rights to all company personnel.

<u>TECNOLOGÍA MODIFICADA FACILITY IN NUEVO LAREDO, TAMAULIPAS</u> – October 26, 2023

RESULT OF RRM: REINSTATMENT AND BACKPAY OFFERS, IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAINING

The United States <u>requested</u> Mexico's review of whether this construction and mining equipment facility is interfering in workers' union activities, including through the dismissal of workers in retaliation for their participation in union organizing activity.

As a <u>result</u> of the RRM, two unlawfully dismissed workers were offered reinstatement under the same terms, conditions, and circumstances from before their termination, including full backpay and benefits. The company issued guidelines that govern conduct of personnel at the facility and a written neutrality statement committing to respect freedom of association and collective bargaining rights, and implemented a zero-tolerance policy for violations of the neutrality statement. Mexico also provided workers' rights training to workers currently working, and committed to provide further trainings to workers currently on strike when they return to work.

<u>AUTOLIV STEERING WHEELS FACILITY IN EL MARQUÉS, QUERÉTARO</u> – November 20, 2023

RESULT OF RRM: REINSTATEMENT OF WORKERS, BACKPAY, SEVERANCE, IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this steering wheel production facility was denying workers their rights by interfering in workers' union activities, including through the dismissal of approximately 19 workers who were engaged in union activity. The United States was also concerned that management was coercing workers into selecting a specific union for representation, and denying union representatives and government officials from accessing the facility to provide information to workers.

As a <u>result</u> of the RRM, three unlawfully dismissed workers were reinstated under the same terms, conditions, and circumstance from before their termination, including full backpay and benefits. Seven more workers who were unjustly dismissed, but chose not to return to the facility, were paid full severance. The company posted and disseminated a neutrality statement and related guidelines at the facility, affirming its commitment to safeguarding the right to freedom of association. Mexico also delivered trainings on freedom of association and collective bargaining rights at the facility for workers and company representatives.

<u>FUJIKURA AUTOMOTIVE MÉXICO FACILITY IN PIEDRAS NEGRAS, COAHUILA</u> – December 14, 2023

RESULT OF RRM: IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this auto components facility is blacklisting or otherwise retaliating against workers because of union activity at their prior employer, Manufacturas VU.

As a <u>result</u> of the RRM, the company posted and disseminated a neutrality statement and related guidelines affirming its commitment to respecting freedom of association and collective bargaining rights. Company representatives delivered trainings to all facility personnel on its neutrality statement and guidelines. Mexico delivered trainings on freedom of association and collective bargaining rights for workers at the Piedras Negras facility, for Human Resources representatives from all of Fujikura's facilities in Mexico, and for union delegates representing workers at Fujikura's facilities across the state of Coahuila.

ATENTO SERVICIOS FACILITY IN PACHUCA DE SOTO, HIDALGO – January 19, 2024

RESULT OF RRM: ONGOING USMCA RRM PANEL

The United States <u>requested</u> Mexico's review of whether this call center facility is coercing workers to withdraw support from a particular union, including by dismissing workers who support that union, threatening workers with reprisals, and denying that union access to the facility. The United States is also concerned the facility is coercing workers into selecting a specific union for representation, including by offering benefits in exchange for supporting the company's preferred union, threatening reprisals if workers did not support the preferred union, and providing that union facility access.

Mexico conducted a review and found a Denial of Rights had occurred at the facility. During Mexico's review period, the company took certain remedial actions, and based on these actions, Mexico concluded that the Denial of Rights had been remediated. The United States disagrees with Mexico's determination that the Denial of Rights at the facility has been remediated, and the United States remains concerned that workers are being denied the right to freedom of association and collective bargaining. Given the U.S. position, the United States requested a dispute settlement panel under the USMCA to verify the facility's compliance with the laws in question and determine whether there is an ongoing Denial of Rights. The panel proceedings are ongoing.

RV FRESH FOODS FACILITY IN URUAPAN, MICHOACAN – February 16, 2024

RESULT OF RRM: IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this food manufacturing facility was denying workers their rights by interfering in workers' union activities, including through denying the incumbent union's access to the facility and intervening in the union delegate selection process. The United States was also concerned that the company had taken actions in an attempt to dominate or control the union, including by providing support payments to the union.

As a <u>result</u> of the RRM, the company committed to remain neutral and refrain from interfering in workers' union activities, provided copies of the current collective bargaining agreement to all employees, and agreed to refrain from making unlawful payments to the union. Mexico monitored the facility to ensure it complied with workers' rights and participated in specialized trainings for workers, management, and union representatives.

<u>SERVICIOS INDUSTRIALES GONZÁLEZ FACILITY IN PESQUERÍA, NUEVO LEÓN</u> – April 1, 2024

RESULT OF RRM: BACKPAY, IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this steel components facility was denying workers their rights by interfering in workers' union activities, including through the dismissal of workers who were engaged in union activity. The United States was also concerned that management was coercing workers into selecting a specific union for representation, including providing preferential access to that union and denying the independent union representatives from accessing the facility to provide information to workers.

As a <u>result</u> of the RRM, the company paid nearly USD 20,000 to six dismissed workers, provided equivalent facility access to two unions seeking to represent workers at the facility, posted and disseminated a neutrality statement and related guidelines that affirm its commitment to safeguarding the right to freedom of association and collective bargaining, and delivered trainings to all facility personnel on its neutrality statement and guidelines. Mexico also delivered trainings on freedom of association and collective bargaining rights to workers and company representatives at all SIG facilities in the state of Nuevo Leon.

MINERA TIZAPA FACILITY IN ZACAZONAPAN, ESTADO DE MÉXICO – April 3, 2024

RESULT OF RRM: REINSTATEMENT OF WORKERS, BACKPAY, BONUSES, INDEPENDENT UNION REPRESENTATION, IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this facility, specializing in mining lead and other materials, was denying workers their rights by interfering in their union activities. U.S. concerns included the facility's dismissals, threats, interrogation, surveillance, and other forms of coercion against workers to withdraw their support for an independent union. The United States was also concerned about actions taken to coerce workers into selecting a specific union for representation, including by applying benefits in a manner that disadvantaged members of the independent union and paying an "operational continuity" bonus solely to workers who submitted dues to the incumbent union, which also reflected an attempt to infringe workers' right to strike.

As a <u>result</u> of the RRM, the company reinstated and provided backpay to several unlawfully dismissed workers and paid the bonus originally paid solely to members of the incumbent union to 249 workers who had not received it. The company also recognized the collective bargaining agreement ownership rights of the independent union and engaged in bargaining with that union, including by signing agreements on union dues, union officer salaries, local union support, and hiring of new personnel. In addition, the company committed to remain neutral and refrain from interfering in union activities and trained all personnel on its new company guidelines and neutrality statement. Mexico took several actions as well, including monitoring the facility and conducting a workers' rights training for all personnel. After the company recognized the independent union, Mexico facilitated a series of dialogue meetings to settle agreements between that union and the company.

<u>VOLKSWAGEN DE MÉXICO FACILITY IN CUAUTLANCINGO, PUEBLA</u> – May 28, 2024

RESULT OF RRM: REINSTATEMENT OF WORKERS, BACKPAY, SEVERANCE, IMPROVED FACILITY POLICIES, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this autos facility was denying workers their rights by interfering in workers' union activities, including through coordination between the company and union at the facility to dismiss workers and other reprisals against workers based on their service as union representatives, affiliation with prior union administrations, candidacy in union elections, or engagement in other union activities.

As a <u>result</u> of the RRM, the company reinstated and paid backpay to eight workers and paid full severance to one worker who elected severance over reinstatement. The company also committed to remain neutral, issued guidelines on freedom of association and collective bargaining, including a zero-tolerance policy for violations, and trained management and workers on these policies. Mexico conducted workers' rights training, monitored the facility to ensure it complied with workers' rights, and disseminated information about complaint mechanisms available to workers to report any violations of their freedom of association and collective bargaining rights.

INDUSTRIAS TECNOS FACILITY IN CUERNAVACA, MORELOS – June 24, 2024

RESULT OF RRM: ONGOING USMCA RRM PANEL

The United States <u>requested</u> Mexico's review of whether this small arms ammunition facility is denying workers their rights by interfering in their union activities. U.S. concerns include discrimination against workers based on their union sympathies. The United States is also concerned about dismissals, threats of reprisals, and coercion or pressuring of workers to support the incumbent union or refrain from supporting another union, including potentially through coordination between the incumbent union and the company.

Mexico conducted a review and found no Denial of Rights at the facility. The United States disagrees with Mexico's determination that no Denial of Rights exists at the facility, and the United States remains concerned that workers are being denied the right to freedom of association and collective bargaining. Given the U.S. position, the United States requested a dispute settlement panel under the USMCA to verify the facility's compliance with the laws in question and determine whether there is an ongoing Denial of Rights. The panel proceedings are ongoing.

<u>IMPRO INDUSTRIES MEXICO FACILITY IN VILLA DE REYES, SAN LUIS POTOSÍ</u> – July 25, 2024

RESULT OF RRM: REINSTATEMENT OF A WORKER, BACKPAY, WORKERS' RIGHTS TRAININGS

The United States <u>requested</u> Mexico's review of whether this facility, specializing in manufacturing component parts for use in the energy, medical, automotive, and agricultural sectors, is denying workers their rights by interfering in workers' union activities, including through threats of reprisals, coercion, and dismissal of workers who were engaged in union activity. The United States is also concerned about the incumbent union's failure to comply with the legal requirements regarding revisions to the collective bargaining agreement at the facility.

As a <u>result</u> of the RRM, the company reinstated with backpay the unjustly dismissed worker. The company also adopted and posted a neutrality statement and company guidelines, disseminated the neutrality statement, and trained workers and management on workers' right to freedom of association and collective bargaining. Mexico also provided trainings on workers' rights to all company personnel.

PIRELLI NEUMATICOS FACILITY IN SILAO, GUANAJUATO – August 23, 2024

RESULT OF RRM: ONGOING USMCA RRM PANEL

The United States <u>requested</u> Mexico's review of whether this facility, specializing in manufacturing tires from rubber, is denying workers the beneficial terms of a sector-wide agreement, and instead subjecting them to an inferior facility-specific collective bargaining agreement negotiated between the company and an incumbent, employer-aligned union. The United States is also concerned about threats and harassment against workers based on their union activity.

Mexico conducted a review and found no Denial of Rights at the facility. During Mexico's review period, Mexico facilitated negotiations between the incumbent union and Pirelli intended to "harmonize" the facility-specific collective bargaining agreement with the sector-wide agreement. The United States disagrees with Mexico's determination that no Denial of Rights exists at the facility, and the United States remains concerned that workers are being denied the right to freedom of association and collective bargaining. Given the U.S. position, the United States requested a dispute settlement panel under the USMCA to verify the facility's compliance with the laws in question and determine whether there is an ongoing Denial of Rights. The panel proceedings are ongoing.

MINERA CAMINO ROJO FACILITY IN MAZAPIL, ZACATECAS - August 29, 2024

RESULT OF RRM: ONGOING USMCA RRM PANEL

The United States <u>requested</u> Mexico's review of whether this facility, specializing in extracting and producing gold and silver, is denying workers their rights by interfering in their union activities. The United States is also concerned about threats of physical violence, actual physical violence, threats of dismissals, threats of reprisals, offers of preferential treatment, and coercion or pressuring of workers to support another union and refrain from supporting the incumbent union at the facility.

Mexico conducted a review and found a Denial of Rights had occurred at the facility. During Mexico's review period, Mexico provided training to all Camino Rojo employees on freedom of association and collective bargaining and on the company's new guidelines and neutrality statement. However, a course of remediation could not be agreed to between the United States and Mexico, and the United States remains concerned that workers are being denied the right to freedom of association and collective bargaining. Given the U.S. position, the United States requested a dispute settlement panel under the USMCA to verify the facility's compliance with the laws in question and determine whether there is an ongoing Denial of Rights. The panel proceedings are ongoing.

BADER DE MEXICO FACILITY IN LEON, GUANAJUATO – September 16, 2024

RESULT OF RRM: ONGOING USMCA RRM PANEL

The United States <u>requested</u> Mexico's review of whether this facility, specializing in manufacturing premium leather for the automotive industry, is denying workers their rights by interfering in workers' union activities, including through creating a company-controlled labor committee and dismissing workers for their union activity. The United States is also concerned with threats, harassment, and surveillance against workers seeking to exercise their union activity.

Mexico conducted a review and found a Denial of Rights had occurred at the facility. During Mexico's review period, Mexico provided training to all Bader employees on freedom of association and collective bargaining and on the company's new guidelines and neutrality statement. However, a course of remediation could not be agreed to between the United States and Mexico, and the United States remains concerned that workers are being denied the right to freedom of association and collective bargaining. Given the U.S. position, the United States requested a dispute settlement panel under the USMCA to verify the facility's compliance with the laws in question and determine whether there is an ongoing Denial of Rights. The panel proceedings are ongoing.

ODISA CONCRETE EQUIPMENT FACILITY IN ATOTONILCO DE TULA, HIDALGO

- October 23, 2024

RESULT OF RRM: ONGOING

The United States <u>requested</u> Mexico's review of whether this facility, specializing in manufacturing equipment for concrete production and handling, is denying workers their rights by interfering in workers' union activities, including through dismissing workers for their union activity, undermining support for the union that represents the workers in collective bargaining, and instead promoting alternate unions. The United States is also concerned with the company's negotiation of collective bargaining agreements with a union that does not hold the bargaining rights, and with the improper deduction of union dues from workers' wages while there was no titular union.

<u>VIDRIO DECORATIVO OCCIDENTAL FACILITY IN MATAMOROS, TAMAULIPAS</u> – November 8, 2024

RESULT OF RRM: ONGOING

The United States <u>requested</u> Mexico's review of whether this facility, specializing in manufacturing glass inserts for doorframes, doors with insulated glass, and window blinds, is denying workers their rights by interfering in workers' union activities, including through discriminating against workers because of their union activity and coercive acts to prevent workers from exercising their right to strike. The United States is also concerned with the company's support for an alternate union and negotiation of benefits directly with individual workers or through the use of an alternate union as an agent of the company.

AKWEL FACILITY IN CIUDAD JUÁREZ, CHIHUAHUA – November 22, 2024

RESULT OF RRM: ONGOING

The United States <u>requested</u> Mexico's review of whether this auto parts facility is denying workers their rights by interfering in their union activities, including through dismissals, threats

of dismissal, and other reprisals against workers based on their union activity or affiliation. The United States is also concerned with the company's support for an alternate union and pressuring of workers to affiliate with another union that does not hold the certificate of representation.

This fact sheet is up to date as of December 18, 2024.